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## FOREIGN SERVICE DESPATCH

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

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SUBJECT: Comment on MIT Research Study "The Development of the Indonesian Communist Party and its Relations with the Soviet Union and the Chinese Peoples Republic", by Ruth Thomas McVey.

The research paper transmitted by the Department's Instruction has now been read by a number of officers and the following comments have been made on it.

1. General: The paper is a good survey of the history of the Indonesian Communist Movement. There appear to be very few factual errors and available source materials seem to have been utilized. However, it is felt that some of the conclusions are given too authoritatively in view of the scarcity of written materials by and on the principal Indonesian communist leaders, the lack of high-level defector reports, etc.

2. Possible Soviet-Chinese Rivalry for Influence Over the PKI: In the introduction the author states that Indonesian communism was earlier directed by the Soviet Union and later by the Chinese Peoples Republic (p.2). On Page 91 she writes that the PKI has always been Moscow-oriented and there seems to be no reason why it should not continue to be so. An explanation of this contradiction is partially provided by the observation that the Chinese Communists provided material and moral assistance to the PKI from 1949-1952, after which Chinese influence diminished.

This subject is one on which there is little information available. However, the observation has been made by many Indonesians that the PKI has large financial resources behind it for an Indonesian political party. It is a natural assumption that a considerable part of PKI funds for organization, agitation, publishing and other activities are supplied from non-indigenous sources. This assumption is entirely reasonable when one recalls that until very recently the PKI has not had a mass membership nor has it enjoyed close connections with the government bureaucracy. Yet it was able to accomplish astonishing results in building up its organization and staging mass meetings, processions, etc., under the favorable conditions afforded by the political orientation of the Ali Government. These activities required large sums of money. From the assumption that the PKI was supplied from non-indigenous sources, one can move on to another assumption, that these funds have been provided by Overseas Chinese sympathetic to communism, or, more directly, by the Chinese Communist Embassy in Indonesia. Anti-communist Overseas Chinese

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assert positively that this is the case. Unfortunately they are unable to supply evidence. But the assumption, resting on the known existence of large sums in liquid assets in Overseas Chinese hands and the experience of Chinese in smuggling and illegal transfers of money as well as on the communist sympathies of a large segment of the Overseas Chinese community, is the readiest explanation for the comparative affluence of the PKI.

If one postulates a Chinese Communist financial interest in the PKI, one can also assume that the Chinese Communists are eager to supply political and theoretical advice to that party, and to influence its policies.

On the other hand, it is also a safe assumption that the Russians, as a result of their longer experience in dealing with communist parties abroad and with the PKI in particular, retain a strong interest in the PKI. Thus, there are grounds for a conflict of interest between the Russians and the Chinese for influence over the PKI. If one can speculate that the Soviet Union fears an unlimited expansion of Chinese Communist influence and power, then there is still more reason to suspect rivalry between the Russian and Chinese communists. This rivalry would not necessarily lead to conflict but it might be expected to foster factionalism within the PKI.

With regard to the attitude of the PKI itself toward the Chinese, there seem to be several indications that the Party is reluctant to appear associated with the Chinese Communists. One of these was the exclusion of several persons of Chinese ancestry, such as Tang Ling DJIE, from the leadership of the party in 1953. Another was an amendment to the party constitution in 1954 excluding non-Indonesians from membership. Underlying these developments is the widespread distrust of Chinese and China among the Indonesians, which would incline the PKI toward disassociating itself, to the extent possible, from Overseas Chinese interests. The PKI is trying to appear as a nationalist party. Overseas Chinese interests, and through them, Chinese Communist interests, are opposed to emphasis on nationalism in Indonesia for obvious reasons.

Therefore, while it appears to be true, as R. T. McVey states in the latter part of her paper, that the PKI is primarily Moscow-oriented, there are good reasons to believe that the Chinese are providing material assistance to the PKI in addition to what lessons the experience of the Chinese Communist Revolution can provide to the Indonesian communists and that these contributions may create a Chinese faction in the otherwise Moscow-oriented PKI. The criticism of McVey's conclusions is that they leave the impression that there is no element of conflict between the Russian and Chinese influences on the PKI.

3. Replacement of Alimin by Aidit as PKI leader: The author states that the probable reason for AIDIT'S ascendancy and ALIMIN'S decline was that Alimin did not execute vigorously enough the united front tactics of which he had long been the champion within the PKI. When Alimin was dropped from the Central Committee of the PKI in 1954, rumors appeared in the press that he was ill. Since then his name has seldom appeared in the press although he

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is apparently still alive and is on the PKI's list of candidates in several election districts for the forthcoming general elections. While it is possible that Alimin was dropped for his lack of vigour and flexibility, one might add that he may have neglected an essential element of the PKI's struggle for power, the development of cadres. In view of the slim chances of the PKI for seizing power in the near future, the training and disciplining of cadres is one of the most important, possibly the most important, tasks of the party. It is possible that Alimin failed to make headway in this task. By contrast, Aidit is young (33), and apparently vigorous and clever.

4. Specific Comments: a) page 66: The name of the former Chinese Communist Ambassador in Indonesia is spelled WANG JEN-SHU.

b) page 68: There is no evidence that Wang Jen-shu was withdrawn to ease tension that developed between the Indonesian and Chinese Communist governments. Some observers here believe that Wang's recall was requested by the Indonesian Government; but there also is no evidence of this explanation. In either event, a qualification in the statement concerning Wang's return to China would be desirable.

c) page 77: The PSI did, for a number of years, appear to lose its vitality. However, the reason given by PSI leaders for the apparent decline of their party's influence in Indonesian politics is that the PSI wishes to concentrate on strengthening its internal discipline, on training cadres, on influencing youth. At present PSI influence appears to be increasing again, which supports the explanation of PSI leaders concerning the character of the activities of their party during the past few years.

d) page 80: The figure of 126,671 membership for the PKI at the end of 1953 or beginning of 1954 included members and candidate members; this also was a claimed figure. Actual membership, and particularly hard-core membership, was doubtlessly much lower at that time. One estimate was 30,000 members. At present, owing to the favorable conditions for party expansion under the recently resigned Ali Government, PKI membership may be in the neighborhood of 150,000, while the latest claim by PKI Secretary General Aidit is 500,000 members and candidates.

e) page 83: To the Embassy's knowledge, the Indonesian Government has never "rejected" the UN Embargo on trade in strategic commodities with Communist China. Officially the Indonesian Government has observed the embargo although it opposes its continuance.

f) page 90: Apparently the predominate feelings of sympathy for the Peiping regime among the Overseas Chinese which developed after the Chinese

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Communist victory in 1949 began to wane around 1952 when news of landlord expropriations and the campaign against corruption in business filtered down to Indonesia. However, the Geneva Conference in 1954, the Bandung Conference in 1955, and the present static condition of Taiwan seem to have reversed this trend.

In connection with the foregoing, see also my telegram 2141 of May 5.



Nathan S. Gunning, Jr.  
American Ambassador

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